

NATIONAL DAIRY MARKET AT A GLANCE**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (07/16):**

BUTTER: Grade AA closed at \$1.2700. The weekly average for Grade AA is \$1.3150 (-.0363).

CHEESE: Barrels closed at \$1.5500 and blocks at \$1.6025. The weekly average for barrels is \$1.5395 (+.1132) and blocks, \$1.5905 (+.0642).

NONFAT DRY MILK: Extra Grade closed at \$1.0100 and Grade A at \$1.0500. The weekly average for Extra Grade is \$1.0100 (N.C.) and Grade A is \$1.0500 (N.C.).

BUTTER: The market tone remains weak. Prices have fallen each trading session this week. This may be an indication that inventories had been much heavier than many had thought and demand is not as aggressive as previously anticipated. Contacts note that demand for bulk is light and offerings outweigh current demand. Fresh butter remains tight, but frozen stocks are more than ample. Churning activity ranges from lighter to surprisingly steady. Cream offerings are tightening, but not to the degree normally seen at this time of year.

CHEESE: The cheese market is firm with blocks in the strongest position. Buyers continue to have difficulty in securing desired volumes of many natural varieties such as cheddar. Cheese production continues to trend lower due to lower milk receipts and summer yields. Most plant operators are having increasing difficulty in securing additional milk to help increase or stabilize production.

FLUID MILK: Milk intakes continue to be adversely impacted by summer weather. Manufacturing schedules are accordingly lighter, except in Idaho and Utah where cool nighttime temperatures continue to prevail and milk receipts are about steady. Milk shipments into the Southeast are continuing, but Florida handlers are able to secure adequate supplies from regular sources. Cream demand remains seasonally good as ice cream production remains active.

DRY PRODUCTS: Summer weather is reducing production levels at manufacturing plants and lowering the volumes produced. The net effect is adding stability and, in the case of buttermilk, Grade A whey, and lactose, some firmness. Extra Grade whey and WPC supplies remain heavy as interest has yet to improve sufficiently to impact prices in most areas. Some additional interest in NDM is occurring from cheese plant operators seeking to bolster cheese yields. Additional clearances to CCC continue with DEIP activity increasing.

CCC: During the week of July 12 - 16, CCC net purchases of nonfortified NDM totaled 13,331,493 pounds and 396,830 pounds of fortified. This is the largest weekly NDM purchase in 1999 and the largest since early 1991.

DAIRY FARMER REFERENDUM ON MILK ORDER REFORM PLAN (AMS):

On July 14, USDA announced that dairy farmers will begin voting August 2, 1999, on the U.S. Department of Agriculture's plan to consolidate and modernize the nation's milk marketing order system, USDA announced today. Dairy farmers will have until August 6, 1999, to mail their ballots to USDA under procedures that require two-thirds of the eligible voters in each order to approve the changes.

JUNE AND SECOND QUARTER MILK PRODUCTION (NASS):

Milk production in the 20 major states during June totaled 11.8 billion pounds, up 389 million pounds (3.4%) from production in these same states in June 1998. May revised production, at 12.4 billion pounds, was up 419 million pounds (3.5%) from May 1998. Production per cow in the 20 major states averaged 1,525 pounds for June, 48 pounds (3.2%) above June 1998. The number of cows on farms was 7.73 million head, 11,000 head more than June 1998, and 4,000 head more than May 1999. The second quarter milk production for the U.S. was 42.0 billion pounds, 1.2 billion pounds (3.0%) above the April-June period last year. The average number of milk cows in the U.S. during the quarter was 9.15 million head, 20,000 head less than the same period last year.

MAILBOX MILK PRICES (AMS): In April 1999, mailbox milk prices reported for selected Federal milk orders averaged \$12.09 per cwt., \$2.93 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$12.07, down \$3.30; Southeast, \$12.77, down \$5.08; Midwest, \$12.27, down \$2.23 and West, \$11.38 down \$2.90. Compared to April 1998, mailbox milk prices on average, decreased \$1.54 per cwt. Regional changes from the previous year were: -\$1.67 in the Northeast, -\$2.48 in the Southeast, -\$1.24 in the Midwest, and -\$1.60 in the West.

MAY FLUID MILK SALES HIGHLIGHTS (AMS): During May, sales of fluid milk products in comparable Federal milk order marketing areas and California were 1.7% above the previous year and 2.3% above April 1999 on an adjusted daily average basis. Sales of whole milk products were 3.0% above the previous year; sales of fat-reduced milk products were 1.1% above the previous year. Total fluid milk sales were higher in all regions. Total fluid milk sales for the first five months of 1999 were 1.0% higher than the same period last year.

****SPECIALS THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

| PRODUCT | MONDAY JULY 12 | TUESDAY JULY 13 | WEDNESDAY JULY 14 | THURSDAY JULY 15 | FRIDAY JULY 16 | WEEKLY CHANGE* | WEEKLY AVERAGE# |
|-----------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------------|----------------------|
| CHEESE | | | | | | | |
| BARRELS | \$1.5250 (+.0550) | \$1.5375 (+.0125) | \$1.5375 (N.C.) | \$1.5475 (+.0100) | \$1.5500 (+.0025) | +.0800 | \$1.5395 (+.1132) |
| 40# BLOCKS | \$1.5775 (+.0075) | \$1.5875 (+.0100) | \$1.5925 (+.0050) | \$1.5925 (N.C.) | \$1.6025 (+.0100) | +.0325 | \$1.5905 (+.0642) |
| NONFAT DRY MILK | | | | | | | |
| EXTRA GRADE | \$1.0100 (N.C.) | \$1.0100 (N.C.) | \$1.0100 (N.C.) | \$1.0100 (N.C.) | \$1.0100 (N.C.) | N.C. | \$1.0100 (N.C.) |
| GRADE A | \$1.0500 (N.C.) | \$1.0500 (N.C.) | \$1.0500 (N.C.) | \$1.0500 (N.C.) | \$1.0500 (N.C.) | N.C. | \$1.0500 (N.C.) |
| BUTTER | | | | | | | |
| GRADE AA | \$1.3500 (-.0025) | ---- | \$1.3250 (-.0250) | ---- | \$1.2700 (-.0550) | -.0825 | \$1.3150 (-.0363) |

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, JULY 12, 1999

CHEESE -- SALES: NONE; BIDS UNFILLED: 6 CARS BARRELS: 3 @ \$1.5250, 2 @ \$1.5200, 1 @ \$1.4600; 5 CARS 40# BLOCKS: 1 @ \$1.5775, 2 @ \$1.5750, 2 @ \$1.5725; OFFERS UNCOVERED: 1 CAR BARRELS @ \$1.5400; 1 CAR 40# BLOCKS @ \$1.6000
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS: 1 @ \$1.3250, 1 @ \$1.3500; BIDS UNFILLED: 1 CAR @ \$1.3300; OFFERS UNCOVERED: 5 CARS: 1 @ \$1.3500, 1 @ \$1.3700, 1 @ \$1.4000, 1 @ \$1.4300, 1 @ \$1.4600

TUESDAY, JULY 13, 1999

CHEESE -- SALES: 13 CARS BARRELS: 8 @ \$1.5300, 3 @ \$1.5325, 1 @ \$1.5350, 1 @ \$1.5375; 4 CARS 40# BLOCKS: 2 @ \$1.5850, 2 @ \$1.5875; BIDS UNFILLED: 2 CARS 40# BLOCKS @ \$1.5825; OFFERS UNCOVERED: 6 CARS BARRELS: 3 @ \$1.5375, 1 @ \$1.5400, 1 @ \$1.5575, 1 @ \$1.5800; 1 CAR 40# BLOCKS @ \$1.5975
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, JULY 14, 1999

CHEESE -- SALES: 6 CARS BARRELS @ \$1.5375; 8 CARS 40# BLOCKS: 4 @ \$1.5875, 2 @ \$1.5900, 2 @ \$1.5925; BIDS UNFILLED: 3 CARS 40# BLOCKS: 1 @ \$1.5925, 1 @ \$1.5900, 1 @ \$1.5850; OFFERS UNCOVERED: 3 CARS BARRELS @ \$1.5375
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: 6 CARS: 2 @ \$1.3225, 1 @ \$1.3300, 1 @ \$1.3225, 1 @ \$1.3200, 1 @ \$1.3250; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 10 CARS: 1 @ \$1.3250, 1 @ \$1.3300, 2 @ \$1.3400, 1 @ \$1.3450, 3 @ \$1.3500, 1 @ \$1.3700, 1 @ \$1.4000

THURSDAY, JULY 15, 1999

CHEESE -- SALES: 4 CARS BARRELS: 3 @ \$1.5375, 1 @ \$1.5475; BIDS UNFILLED: 3 CARS BARRELS: 2 @ \$1.5450, 1 @ \$1.5425; 4 CARS 40# BLOCKS @ \$1.5925; OFFERS UNCOVERED: 4 CARS BARRELS: 3 @ \$1.5475, 1 @ \$1.5625
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, JULY 16, 1999

CHEESE -- SALES: 13 CARS BARRELS: 12 @ \$1.5475, 1 @ \$1.5500, 8 CARS 40# BLOCKS: 7 @ \$1.5975, 1 @ \$1.6025; BIDS UNFILLED: 5 CARS 40# BLOCKS: 2 @ \$1.6025, 2 @ \$1.6000, 1 @ \$1.5925; OFFERS UNCOVERED: 8 CARS BARRELS: 3 @ \$1.5500, 1 @ \$1.5525, 2 @ \$1.5600, 2 @ \$1.5700
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 18 CARS: 1 @ \$1.2700, 1 @ \$1.2750, 1 @ \$1.2800, 1 @ \$1.2850, 1 @ \$1.2900, 1 @ \$1.2950, 1 @ \$1.3000, 1 @ \$1.3025, 1 @ \$1.3050, 1 @ \$1.3075, 2 @ \$1.3100, 1 @ \$1.3150, 2 @ \$1.3175, 1 @ \$1.3200, 1 @ \$1.3225, 1 @ \$1.3250

BUTTER MARKETS**NORTHEAST**

At the CME, butter prices have been relatively steady during the past week and into this week. A fractional increase last Friday (7/9) was offset by a like drop on Monday (7/12). This may indicate that traders feel the market is at the right level for the time being or may also indicate that the increase was a mistake. Production levels are steady to lighter in the Northeast. Fluid cream supplies were not as tight as many had expected, but decent Class II demand did clear most of the available offerings. Bulk butter stocks are more than ample for current demand which seems to have slowed in the past week or so. Retail sales and food service sales are steady. Spot bulk sales continue in the range of 3 - 5 1/2 cents over the CME weekly average.

CENTRAL

The butter market is steady. Closing prices at the CME leveled off last week (albeit a two-day trading week). Traders are interested to see what this week brings. Churning activity has been moderate to heavy. However, Upper Midwest milk is again being shipped to Southern buyers and this may affect the volumes of milk and cream available. Sales are slow to fair, mostly steady. Retail sales are slow to fair, best when featured. Sweet corn season is in full swing which generally provides a boost to butter demand.

WEST

Butter production is trending lower at most Western manufacturing plants. Milk receipts are declining seasonally and more cream is being sold for other uses besides churning. Much of the cream is ending up in ice cream plants. The ice cream season started off somewhat slowly, but it has now reached normal summer time levels of demand. Bulk offerings continue to move to other regions of the country. Print sales are fair for this time of year. Some contacts are commenting that retail sales would be better if retail prices better reflected what is happening at the manufacturing level. Food service orders are rated as fair to good. Contacts wonder if a plateau has been reached on pricing at the CME. They think that the up and down trading may reflect more of a balanced position.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS,
TRUCKLOAD QUANTITIES.

DUE TO A LACK OF CONSENSUS ON THE PART OF PRODUCERS AND BUYERS ABOUT THE BASING POINT FOR BULK BUTTER SALES (PREVIOUS FRIDAY'S CLOSE, PREVIOUS WEEK'S AVERAGE, DATE OF SALE, DATE OF SHIPMENT, ETC.), DAIRY MARKET NEWS IS TEMPORARILY SUSPENDING THE REPORTING OF PREMIUMS OR DISCOUNTS.

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

| WEEK ENDING | CHEESE | | NDM | BUTTER | DRY WHEY |
|-------------|---------------------|-------------------------|----------------------|---------------------|---------------------|
| | 40# BLOCKS | BARRELS 39% MOISTURE | | | |
| JULY 10 | 1.4443 4,141,442 | 1.4184 9,303,930 | 1.0056 22,197,266 | 1.3893 1,908,973 | 0.1713 5,644,226 |

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices for process and natural cheddar items increased and the market tone is unsettled to firm. At the CME, 40# block prices had been fairly steady since June 24 and then prices jumped 6.75 cents in the last two trading days of last week. Barrels had been dropping for more than a week, but jumped more than six cents on Friday (7/9) which more than offset all the declines since June 28. Production is steady to lighter as the recent heat wave did adversely affect milk output. Most plants, however, are still running 6-7 days a week. Overall, demand for cheese is termed as good. However, as prices begin to rise, demand may ebb and putting cheddar into aging programs isn't as attractive as it was a month ago. Food service orders are holding up at good seasonal levels, but retail movement is slow to fair.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

| | | |
|-----------------------------|---|---------------|
| Cheddar 10# Prints | : | 1.5425-2.0300 |
| Cheddar Single Daisies | : | 1.5150-2.0300 |
| Cheddar 40# Block | : | 1.6475-1.8325 |
| Process 5# Loaf | : | 1.6375-1.7950 |
| Process 5# Sliced | : | 1.6575-1.9150 |
| Muenster | : | 1.7225-2.0250 |
| Grade A Swiss Cuts 10 - 14# | : | 2.3500-2.5500 |

MIDWEST

The cheese market is firm. CME cash market block and barrel prices are higher. The CME weekly average cash price for the week ending July 9 was lagging just over 8 cents for blocks (\$1.5263 versus \$1.6075), from the comparable single day trading session in 1998. The average 1999 barrel price lags the comparable 1998 level by over 11.75 cents (\$1.4263 to \$1.5450). A few producers have switched some production from barrels over to blocks (or 640's) where possible due to the wide price spread. Overall cheese production continues to trend lower, reflecting declining milk supplies and low summer yields. Most plant operators are unable to secure supplemental milk to increase/maintain current production levels and are having difficulty in filling orders. Current and aged blocks remain tight to adequate. Process movement is steady to occasionally slower, depending on market segment. Most Swiss prices are little changed (a few cents) with expectations of larger increases in the future months.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

| | | |
|---|---|---------------|
| Process American 5# Loaf | : | 1.6250-1.7600 |
| Brick And/Or Muenster 5# | : | 1.7600-1.9925 |
| Cheddar 40# Block | : | 1.7600-2.1150 |
| Monterey Jack 10# | : | 1.9400-2.1150 |
| Blue 5# | : | 2.1200-2.3400 |
| Mozzarella 5 - 6# (Low Moisture, Part Skim) | : | 1.8300-2.2150 |
| Grade A Swiss Cuts 6 - 9# | : | 2.3400-2.6850 |

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

| | | |
|----------------|---|-----------------------------|
| CHEDDAR STYLES | : | JULY 12 - 16, 1999 |
| BARRELS* | : | \$1.4175 - 1.5375 (NOMINAL) |
| | : | (\$0.0125) (.0825) |
| 40# BLOCKS | : | \$1.5450 - 1.5875 (NOMINAL) |
| | : | (\$0.0550) (.0575) |

() Change from previous week. * If steel, barrel returned.

WEST

Natural cheese prices continue to firm in the Western region following activity last week at the CME. Some operations adjusted manufacturing schedules to move milk from barrel plants into block production because of the wide price spread between the two products that existed last week. Demand for most types of cheese is rated as good because buyers want to acquire cheese before prices move any higher. The market is rated as quite tight because of this purchasing strategy and because production is down somewhat seasonally. Some current orders are being delayed as plants work on previous orders. Swiss production is up slightly, but sales activity is clearing offerings quite easily. Mozzarella offerings are not sufficient for the current buying interest. Some contacts are surprised at the current cheese price strength, but they are reacting in the short run to the market situation by trying to buy ahead to beat future price increases.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

| | | |
|---------------------------|---|---------------|
| Process 5# Loaf | : | 1.5725-1.8325 |
| Cheddar 40# Block | : | 1.6450-1.7850 |
| Cheddar 10# Cuts | : | 1.8350-2.0450 |
| Monterey Jack 10# | : | 1.8550-2.0075 |
| Grade A Swiss Cuts 6 - 9# | : | 2.2900-2.4200 |

FOREIGN

Domestic prices are higher for the seventh consecutive week. The market tone is seasonal, but as the cheese prices at the CME increase, there is some renewed interest for imported processing solids. In the EU-15, cheese production for the first quarter of 1999 was 1,44 million MT, down 0.8% from the same period last year. The following are percentage comparisons for selected countries: Denmark -4.3, Germany -3.5, France +1.3, Netherlands -6.9, Finland -7.0, and Sweden +4.3.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

| VARIETY | NEW YORK | |
|--------------------------|-------------------|------------------|
| | IMPORTED | DOMESTIC |
| Roquefort | : 5.5000-6.8900 | : -0- |
| Blue | : 2.6400-3.1400 | : 1.8775-2.4875* |
| Gorgonzola | : 3.2400-5.9400 | : 2.4900-2.5725* |
| Parmesan (Italy) | : TFEWR | : 3.2875-3.3175* |
| Romano (Italy) | : 2.1000-2.9000 | : -0- |
| Provolone (Italy) | : 3.4400-5.5000 | : 1.8775-2.1625* |
| Romano (Cows Milk) | : -0- | : 3.0575-5.2825* |
| Sardo Romano (Argentina) | : 2.6500-3.2900 | : -0- |
| Reggianito (Argentina) | : 2.6500-3.2900 | : -0- |
| Jarlsberg-(Brand) | : 2.7400-3.1200 | : -0- |
| Swiss Cuts Switzerland | : -0- | : 2.3500-2.5500 |
| Swiss Cuts Finnish | : 2.5900-2.8500 | : -0- |
| Swiss Cuts Austrian | : 2.2500-2.7500 | : -0- |
| Edam | : | : |
| 2 Pound | : TFEWR | : -0- |
| 4 Pound | : 2.1900-3.0900 | : -0- |
| Gouda, Large | : 2.3900-3.1500 | : -0- |
| Gouda, Baby (\$/Dozen) | : | : |
| 10 Ounce | : 27.8000-31.7000 | : -0- |

* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

| | BUTTER | CHEESE |
|----------|--------|-----------|
| 07/12/99 | 15,293 | : 125,201 |
| 07/01/99 | 14,960 | : 121,941 |
| CHANGE | 333 | : 3,260 |
| % CHANGE | 2 | : 3 |

FLUID MILK AND CREAM

E A S T

Milk production is falling in most sections of the region. Rates of decline have slowed as the heat wave did break, but milk output has not rebounded as some expected. The Middle Atlantic area is in dire need of rain and pastures and alfalfa fields are showing the strain. Heavy rain fall over much of the Southeast has pastures almost too wet to use. In the Northeast, rainfall is spotty, but about adequate. Fluid milk supplies are a little tighter this week as some buyers are moving it greater distances. Some cheese makers are aggressively looking for milk and Class III condensed skim to make more cheese before milk (and cheese) prices increase. Florida handlers are taking some of their regular source milk, but have not yet gone outside those sources with any regularity. Depending on milk output, they may start reaching farther north late this month. Class I needs are slow to fair in most parts of the East. Surplus milk volumes are lighter as milk output drops. Some butter/powder plants have a little down time and most are drying less. The call for condensed skim improved noticeably last week. The demand for Class II is about the same, but the call for Class III condensed is up quite a bit. However, prices for Class III have jumped from last week and are often over \$1.10 per pound solids. Class II prices are steady. The fluid cream market is mostly steady, but prices are often lower as supplies are not as tight as many had anticipated. Lower multiples coupled with the lower CME average are giving lower spot prices. Demand for cream is seasonally good. Offerings are adequate to meet most needs. Some delays are noted, but buyers are not reaching too far to find what they want. Some California cream continues to be brought across the country at competitive prices. Ice cream production is seasonally heavy. Hard ice cream, soft serve, and frozen novelty sales are seasonally good. Cream cheese output is also steady. Churning activity is lighter as milk and excess cream volumes tighten.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

| | | |
|--|---|-------------------------------|
| F.O.B. Producing Plants: Northeast | - | 1.6756-1.9053 |
| Delivered Equivalent Atlanta | - | 1.7026-1.8918 M 1.7567-1.8378 |
| F.O.B. Producing Plants: Upper Midwest | - | 1.7567-1.9188 |

PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

| | | |
|------------------------------------|---|--------------|
| F.O.B. Producing Plants: Northeast | - | .8000-1.0000 |
|------------------------------------|---|--------------|

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

| SPOT SHIPMENTS: | LOADS |
|-------------------------|-------|
| JULY 9 - 15, 1999 | 18 |
| PREVIOUS WEEK | 18 |
| COMPARABLE WEEK IN 1998 | 15 |

DESTINATIONS: MISSOURI 18

Class I demand is steady to occasionally improved where featured. Besides the loads reported above, another 20 loads of Wisconsin milk are direct shipped to Missouri along with 28 loads to Kentucky. These other Missouri and Kentucky shipments are pooled under a Southern Federal order to supplement local supplies. Milk shipments are also moving from Michigan into Southeastern states. More interest was noted from Southern and mid-Southern milk handlers trying to secure supplemental supplies for later in the summer. Spot milk interest is

seasonally strong as local patron receipts decline seasonally. Reported spot milk premiums are increasing, generally in the area of \$1.80 to \$2.00 over class. A report of \$3.00 over from a more desperate manufacturing plant buyer was noted. Volumes available are steady to a lower. Cream prices are lower, reflecting lower cash butter prices at the Chicago Mercantile Exchange. Some cream multiples are higher to help offset the price decline. Cream demand remains seasonally strong from ice cream accounts. Milk supplies are steady to slightly lower after the fairly substantial decline during the heat and humidity over the recent holiday weekend. Milk component levels also have declined seasonally.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

| | JULY 8 - 14 | PREVIOUS YEAR |
|---------------------------|-----------------|-----------------|
| SLAUGHTER COWS | \$ 38.00- 42.50 | \$ 34.00- 38.50 |
| REPLACEMENT HEIFER CALVES | \$200.00-265.00 | \$130.00-165.00 |

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

| | JULY 8 - 14 | PREVIOUS YEAR |
|----------------|-----------------|-----------------|
| SLAUGHTER COWS | \$ 36.00- 46.25 | \$ 34.00- 38.00 |

W E S T

Milk production is down across all parts of California due to the hot and humid weather of the past week. The heat was certainly bad enough on its own, but when coupled with the humidity, the mix was very hard on the milking herd. To further stress the animals, conditions did not cool off much at night. Estimates on milk production declines range from 5-20%. Many contacts were commenting that it was early in the season for this much stress. For a few days this week the U.S. daily temperature record was in Redding, California at 110 and 111 degrees. Redding is at the north end of the Sacramento Valley, quite far north for a temperature this high this early. At mid week conditions were improving, but opinions differed on how much milk rebound there would be. Hay prices are falling somewhat as the overall supply in the West seems to be sufficient for all needs. Heifer demand remains very high and, for the most part, going unfilled. Milk continues to decline seasonally in Arizona and New Mexico. Conditions are much wetter than normal which is leading to more of a fly problem than is normal for this time of year. Contacts are expecting milk to begin moving east in the near future. Conditions are warming up in the Pacific Northwest which is allowing crops to catch up somewhat to normal maturity levels. Pastures are in better shape and more good quality new crop hay is available. Hay is being cut east of the mountains and the quality is generally rated as good. Prices are coming off from early season quotes by \$10-15 per ton. Milk producers are very happy with the cost of both forage and concentrate inputs this summer. Many feel that they will net higher returns this year even with milk prices lower than last year. Milk production remains strong in the region, often running ahead of expectations. Heifer prices are increasing as producers attempt to expand production. Culling rates are lower as producers decide to milk their lower producing cows longer because they are still profitable and because of the difficulty in finding replacements. More heat is common over much of Idaho and Utah. Temperatures are more than 100 degrees in the southern areas and at least in the 90's in the north. Little stress is noted on the milking herd because there is very little humidity and temperatures are cooling off at night. Manufacturing plants continue to run on extended operating schedules. First cutting hay is generally done with some producers starting on the second cutting. The quality looks good and prices are softening. Herds in Idaho continue to expand as heifers become available.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 07/15/99 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged to higher on a steady to weak market. Reduced milk production as a result of seasonal weather continues to affect milk intakes at most plants. Good production from the 4th of July holiday weekend is keeping stocks in balance to occasionally long at some plants. Other manufacturers are beginning to search for alternative sources of NDM as internal supplies no longer suffice current needs. Demand is slow with contracts and NDM used for fortification purposes clearing product the best. High heat and Grade A product continue to move well. Production on low heat is steady to lower as operations produce more high heat.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0075 - 1.0300 MOSTLY: 1.0100 - 1.0150

DRY BUTTERMILK - CENTRAL

Prices are mixed while the average remains unchanged. The market tone is generally steady as producers continue to move the bulk of their production as condensed. Aged product is available and moving within the range. Producers that base their business on contracts are in the best position for the slow to fair demand. Inventories are adequate to instances tight. With decreased butter production, the market is anticipated to improve.

BUTTERMILK: .7000 - .7400

DRY WHEY - CENTRAL

Prices are unchanged to lower on a generally steady market. Heat continues to play a role in production as off grade/defective product is available at substantial discounts. Supplies of extra grade are adequate to instances tight for the fair to good demand. Spot movement is very light. Some operators short on supplies state that they would charge a premium if they had it. Other producers with spot supplies are able to attain a premium at levels lower than last week. Committed product is clearing well into baked goods, drink mixes, and feed channels. Production is mixed due to inconsistent milk intakes at cheese plants. Traders are reporting a limited amount of interest at the current prices. Most buyers are purchasing on an as need basis. Plenty of condensed product remains available. Reports indicate that export export movement is strong into Mexico.

NONHYGROSCOPIC: .1700 - .1875 MOSTLY: .1700 - .1800

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged on all feed items on a steady to weak market. Heat and humidity continue to play a role in the production of more milk replacer quality whey. Some sub-standard product is available at substantial discounts. Movement on milk replacer is best into dairy calf operations. Delactose inventories are building in some areas in anticipation of future edible demand. Movement into the feed industry is steady. Roller ground inventories are adequate to instances long. The market undertone on veal is trending mostly steady to slightly weak. The hog market is mixed which may indicate some stability to a bearish market.

MILK REPLACER: .1400 - .1675
STANDARD: TFEWR
ROLLER GROUND: .1675 - .1825
DELACTOSE (Min. 20% protein): .2600 - .3150

LACTOSE - CENTRAL AND WEST

Prices remain unchanged on a steady to firm market. Most manufacturers are tight on supplies. Spot trading is minimal with most occurring around the average. Contracts clear product the best into both domestic and export markets. Interest from the feed industry is mixed. Some are finding lactose too expensive while others will pay prices close to the average for off grade or edible product. Most plants are operating at capacity to seasonally lower due decreases in the milk supply.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1700 - .2300 MOSTLY: .1700 - .1800

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are unchanged to lower on a weak market. Demand remains best in the Midwest where prices trend at the higher end of the range. Some Midwestern producers are now having to discount their prices in order to effectively compete with Western product prices. Others are unconcerned with their inventories or sold out and find no need to offer product at discounts. Production is steady to lower due to the seasonal decline in milk production. Off grade product is readily available at prices well below the bottom of the range. Traders report plenty of offers with no takers. Demand is slow due to competitive imports and lackluster livestock and export markets.

EXTRA GRADE 34% PROTEIN: .4000 - .4750 MOSTLY: .4400 - .4600

NONFAT DRY MILK - WEST

The price range tightened slightly for low/medium heat powder while the rest of the reported prices held steady. More contacts mentioned increasing DEIP activity this week. They believe that this will only serve to reduce offerings to the price support program. Commercial sales are barely steady, though there is some additional interest coming from cheese plants in other regions for skim solids to fortify the cheese vats. For the week of July 5-9 clearances to CCC totaled 5.6 million pounds with 3.7 million coming from the West. Demand for high heat powder is somewhat mixed, but generally categorized as slower.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .9800 - 1.0200 MOSTLY: .9800 - 1.0100
HIGH HEAT: 1.0200 - 1.0400

DRY BUTTERMILK - WEST

Western buttermilk powder prices continue to firm slowly. Demand from ice cream plants is the main demand factor leading to these price increases. Supplies/offerings are declining seasonally as milk supplies drop from peak levels. Churning activity is lighter at most Western butter plants as many find it advantageous to sell cream at this time instead of manufacturing butter. Condensed sales of buttermilk are also seasonally good.

BUTTERMILK: .6700 - .7200 MOSTLY: .6700 - .6800

DRY WHEY - WEST

Range prices are holding steady for Western whey powder while the mostly price series increased fractionally. Producer stocks in the Western region are generally in better shape than a month ago. Export demand ranges from steady to slightly heavier. Domestic sales are rated as good. Production is declining seasonally. The recent hot weather has not impacted dryer efficiency and quality all that much. There is now a slightly firm undertone to the market.

NONHYGROSCOPIC: .1625 - .1900 MOSTLY: .1700 - .1750

CALIFORNIA MANUFACTURING PLANTS

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended July 9, on powder sales of 11,822,814 pounds f.o.b. California manufacturing plants was \$1.0051 per pound. This compares to 10,538,949 pounds at \$1.0054 for the previous week ending July 2, 1999. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are mostly unchanged and the market tone is steady. However, producers report an increased number of inquiries for NDM now that Class III condensed skim prices have jumped. In more instances, Class III condensed prices are higher than current NDM prices and users, who can, are looking to switch back to using NDM. Cheese makers are showing more interest in dry and wet solids. Export interest is improving as exporters fill some of their DEIP bids. Production levels are lighter as less surplus milk is available to butter/powder plants and the improved demand for condensed skim. Plant stocks are more than adequate to meet current needs. High heat powder is in the tightest position, but as milk volumes ease and there is less pressure on the dryers, manufacturers are making a little more high heat.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0000 - 1.0400 MOSTLY: 1.0000 - 1.0100

HIGH HEAT: 1.0400 - 1.1100 MOSTLY: 1.0400 - 1.0600

DELVD SOUTHEAST:

ALL HEATS: 1.0300 - 1.1300

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices are mostly steady and the market tone does seem a bit firmer. Drying schedules are a little lighter as churning eases seasonally and demand for condensed buttermilk improves. Producer stocks are closely balanced. Some traders that were having little difficulty finding powder a month ago are no longer able to get the desired volumes from preferred sources.

F.O.B. NORTHEAST: .7000 - .7500

DELVD SOUTHEAST: .7300 - .7650

DRY WHOLE MILK - NATIONAL

Prices and the market tone are unchanged. As the butter prices ease lower, some Western producers are adjusting their spot prices accordingly. Production levels continue to center around meeting orders. Typically, there is little extra made and stored during the summer months. Spot demand is slow to fair.

F.O.B. PRODUCING PLANT: 1.2700 - 1.4000

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1999 THROUGH JULY 9, 1999
WITH CHANGES FROM PREVIOUS REPORT

| | | |
|-------------------|----|---------------------------|
| NONFAT DRY MILK | -- | 8,860 MT (19,532,756 LBS) |
| CHANGE | -- | 8,860 MT (19,532,756 LBS) |
| WHOLE MILK POWDER | -- | 0 MT |
| CHEESE | -- | 57 MT (125,662 LBS) |
| CHANGE | -- | 57 MT (125,662 LBS) |
| BUTTERFAT | -- | 0 MT |

Allocations for the DEIP year beginning July 1, 1999, are:

Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT;
Cheese - 3,190 MT; Butterfat - 25,475 MT.

These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices are unchanged to fractionally higher on Grade A. The market tone is very firm on Grade A and steady on Extra Grade. Contacts noted that the Extra Grade market seemed like it was going to "take off" late in June, but the market seemed to stall and seems to be holding where it is. Grade A whey stocks are tight. Most producers are not taking any new customers as they are pretty well sold out for the next three to four weeks and want to take care of existing accounts. Resale loads of Grade A whey are moving at prices just above the top of the range. Production of dry whey in the East is steady, but some cheese makers are expressing concern over the tighter milk supply and expected output through the rest of the summer. With cheese prices where they are, more cheese makers are out looking for additional milk or condensed skim and paying very competitive prices when it is available. Overall demand for dry whey is fair to good.

F.O.B. NORTHEAST: EXTRA GRADE .1750 - .1850

USPH GRADE A .2100 - .2300

DELVD SOUTHEAST: .2025 - .2175

ANIMAL FEED WHEY - NORTHEAST

Prices remain too few to report. The market tone is weak. Demand for animal feed and ingredients is sluggish. Increased offerings of "off grade" whey coupled with a relatively dim prognosis for the hog market has most buyers purchasing only for near term needs. Spot interest is light as contracted volumes appear more than adequate for current and projected needs.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

Prices and the market tone are unchanged. Production is moderate to lighter as milk supplies tighten seasonally. Plant stocks are adequate and some producers are trying to build inventories while milk is available and prices are relatively low. Demand is seasonally slow. The Kansas City Commodity office announced the issuance of EVD-1, invitation 580 inviting competitive offers to sell to CCC 73,440 pounds of evaporated milk for delivery in September 1999.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

The casein market is fairly steady though prices on new contracts are often lower. Offerings of product from non-traditional countries below the range are reported and may be adding some additional price pressure. The weak Euro compared to the U.S. dollar is another reason for the weakness in rennet.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 1.8200 - 1.9500

ACID: 1.8400 - 1.9500

MILK SUPPLY AND DEMAND ESTIMATES*

Demand for dairy products remains a strong and the supply and use estimates are little changed from last month. Milk price forecasts are raised to reflect recent strength in product prices.

U.S. MILK SUPPLY, USE AND PRICES

| Item | 1997/98 <u>1/</u> | 1998/99 Projection <u>1/</u> | | 1999/00 Projection <u>1/</u> | |
|--|-------------------------|------------------------------|-------------|------------------------------|-------------|
| | | June | July | June | July |
| SUPPLY | BILLION POUNDS | | | | |
| BEGINNING COMMERCIAL STOCKS <u>2/</u> <u>23/</u> | 5.9 | 5.8 | 5.8 | 5.8 | 6.8 |
| PRODUCTION | 156.5 | 161.0 | 161.1 | 165.0 | 165.0 |
| FARM USE | 1.4 | 1.3 | 1.3 | 1.3 | 1.3 |
| MARKETINGS | 155.2 | 159.7 | 159.8 | 163.8 | 163.8 |
| IMPORTS <u>2/</u> | 4.0 | 4.0 | 4.3 | 3.5 | 3.5 |
| TOTAL COMMERCIAL SUPPLY <u>2/</u> | 165.1 | 169.5 | 169.9 | 173.1 | 174.1 |
| USE | | | | | |
| COMMERCIAL USE <u>2/</u> <u>3/</u> | 158.6 | 163.4 | 162.7 | 166.6 | 167.6 |
| ENDING COMMERCIAL STOCKS <u>2/</u> | 5.8 | 5.8 | 6.8 | 5.6 | 5.6 |
| CCC NET REMOVALS: | | | | | |
| MILKFAT BASIS <u>4/</u> | 0.7 | 0.3 | 0.3 | 0.9 | 0.9 |
| SKIM SOLIDS BASIS <u>4/</u> | 4.5 | 4.6 | 5.8 | 2.7 | 2.9 |
| DOLLARS PER CWT. | | | | | |
| PRICES RECEIVED BY FARMERS <u>5/</u> | | | | | |
| BASIC FORMULA (BFP) | 13.28 | 13.05-13.25 | 13.40-13.60 | 11.15-12.15 | 11.15-12.15 |
| ALL MILK <u>6/</u> | 14.60 | 14.75-14.95 | 15.05-15.25 | 12.65-13.65 | 12.70-13.70 |
| MILLION POUNDS | | | | | |
| CCC PRODUCT NET REMOVALS <u>4/</u> | | | | | |
| BUTTER | 21 | 5 | 5 | 35 | 35 |
| CHEESE | 8 | 7 | 7 | 6 | 6 |
| NONFAT DRY MILK | 368 | 385 | 485 | 225 | 240 |
| | QUARTERLY <u>7/</u> | | | ANNUAL <u>7/</u> | |
| | 1999 III | 1999 IV | 2000 I | 1999 | 2000 |
| | BILLION POUNDS | | | | |
| | 39.7 | 39.9 | 41.7 | 162.0 | 165.6 |
| | DOLLARS PER CWT. | | | | |
| ALL MILK PRICE <u>5/</u> <u>6/</u> | 13.80-14.20 | 13.85-14.55 | 12.80-13.80 | 14.10-14.40 | 12.80-13.80 |
| BASIC FORMULA PRICE <u>5/</u> | 12.90-13.30 | 12.10-12.80 | 10.80-11.80 | 12.05-12.35 | 11.35-12.35 |

NOTE: Totals may not add due to rounding. 1/ Marketing year beginning October 1. 2/ Milk equivalent, milkfat basis. 3/ Includes commercial exports. 4/ Includes products exported under Dairy Export Incentive Program. 5/ Projections indicate a range of the average for the quarter or year. 6/ Milk of average fat test. Does not reflect any deductions from producers as authorized by legislation. 7/ Calendar year basis projection.

* The World Agricultural Supply and Demand Estimates were approved by the Interagency Commodity Estimates Committee. The members for Dairy are: Shayle Shagam, Chairman, WAOB; Arthur Coffing, FAS; and James Miller, ERS.

SOURCE: "World Agricultural Supply and Demand Estimates," WASDE-352, World Agricultural Outlook Board, USDA, July 12, 1999.

| ANNOUNCED COOPERATIVE AND MINIMUM FEDERAL ORDER CLASS I PRICES IN SELECTED CITIES 1/ | | | | | | | | | | | | |
|--|---------------------------|-------|------------|---------------|-------|------------|---------------|-------|------------|---------------|-------|------------|
| CITY | JUL 1997 | | | JUL 1998 | | | JUN 1999 | | | JUL 1999 | | |
| | Federal Order | Coop. | Difference | Federal Order | Coop. | Difference | Federal Order | Coop. | Difference | Federal Order | Coop. | Difference |
| | Dollars Per Hundredweight | | | | | | | | | | | |
| Atlanta, GA | 13.78 | 14.63 | 0.85 | 13.96 | 15.26 | 1.30 | 14.89 | 16.04 | 1.15 | 14.34 | 15.94 | 1.60 |
| Baltimore, MD | 13.73 | 14.78 | 1.05 | 13.91 | 14.96 | 1.05 | 14.84 | 15.59 | 0.75 | 14.29 | 15.04 | 0.75 |
| Boston, MA * | 13.94 | 15.07 | 1.13 | 14.12 | 14.60 | 0.48 | 15.05 | 15.53 | 0.48 | 14.50 | 14.98 | 0.48 |
| Carbondale, IL | 12.71 | 14.80 | 2.09 | 12.89 | 14.55 | 1.66 | 13.82 | 15.53 | 1.71 | 13.27 | 14.98 | 1.71 |
| Charlotte, NC | 13.78 | 14.63 | 0.85 | 13.96 | 15.26 | 1.30 | 14.89 | 16.04 | 1.15 | 14.34 | 15.94 | 1.60 |
| Chicago, IL | 12.10 | 14.30 | 2.20 | 12.28 | 13.87 | 1.59 | 13.21 | 15.10 | 1.89 | 12.66 | 14.55 | 1.89 |
| Cincinnati, OH | 12.81 | 14.36 | 1.55 | 12.99 | 14.74 | 1.75 | 13.92 | 15.62 | 1.70 | 13.37 | 15.07 | 1.70 |
| Cleveland, OH | 12.70 | 14.20 | 1.50 | 12.88 | 14.38 | 1.50 | 13.81 | 15.31 | 1.50 | 13.26 | 14.76 | 1.50 |
| Dallas, TX | 13.86 | 14.11 | 0.25 | 14.04 | 14.54 | 0.50 | 14.97 | 15.22 | 0.25 | 14.42 | 15.47 | 1.05 |
| Denver, CO | 13.43 | 13.58 | 0.15 | 13.61 | 13.86 | 0.25 | 14.54 | 16.29 | 1.75 | 13.99 | 15.74 | 1.75 |
| Des Moines, IA | 12.25 | 13.74 | 1.49 | 12.43 | 13.08 | 0.65 | 13.36 | 14.36 | 1.00 | 12.81 | 14.11 | 1.30 |
| Detroit, MI | 12.55 | 13.99 | 1.44 | 12.73 | 13.91 | 1.18 | 13.66 | 14.62 | 0.96 | 13.11 | 14.11 | 1.00 |
| Hartford, CT * | 13.84 | 14.97 | 1.13 | 14.02 | 14.50 | 0.48 | 14.95 | 15.43 | 0.48 | 14.40 | 14.88 | 0.48 |
| Houston, TX | 14.40 | 14.65 | 0.25 | 14.58 | 15.08 | 0.50 | 15.51 | 15.76 | 0.25 | 14.96 | 16.01 | 1.05 |
| Indianapolis, IN | 12.60 | 14.44 | 1.84 | 12.78 | 14.33 | 1.55 | 13.71 | 15.26 | 1.55 | 13.16 | 14.71 | 1.55 |
| Kansas City, MO | 12.62 | 14.06 | 1.44 | 12.80 | 13.40 | 0.60 | 13.73 | 14.73 | 1.00 | 13.18 | 14.43 | 1.25 |
| Louisville, KY | 13.47 | 13.72 | 0.25 | 13.65 | 14.45 | 0.80 | 13.92 | 14.92 | 1.00 | 13.37 | 14.57 | 1.20 |
| Memphis, TN | 12.81 | 13.76 | 0.95 | 12.99 | 14.09 | 1.10 | 14.58 | 15.38 | 0.80 | 14.03 | 15.28 | 1.25 |
| Miami, FL | 14.88 | 17.68 | 2.80 | 15.06 | 18.08 | 3.02 | 15.99 | 18.36 | 2.37 | 15.44 | 18.36 | 2.92 |
| Milwaukee, WI | 12.01 | 14.21 | 2.20 | 12.19 | 13.78 | 1.59 | 13.12 | 15.01 | 1.89 | 12.57 | 14.46 | 1.89 |
| Minneapolis, MN | 11.90 | 13.36 | 1.46 | 12.08 | 12.73 | 0.65 | 13.01 | 14.01 | 1.00 | 12.46 | 13.71 | 1.25 |
| New Orleans, LA | 14.35 | 14.60 | 0.25 | 14.53 | 15.13 | 0.60 | 15.46 | 15.91 | 0.45 | 14.91 | 16.06 | 1.15 |
| Oklahoma City, OK | 13.47 | 13.97 | 0.50 | 13.65 | 14.25 | 0.60 | 14.58 | 15.58 | 1.00 | 14.03 | 15.28 | 1.25 |
| Omaha, NE | 12.45 | 13.89 | 1.44 | 12.63 | 13.23 | 0.60 | 13.56 | 14.56 | 1.00 | 13.01 | 14.26 | 1.25 |
| Philadelphia, PA | 13.79 | 14.81 | 1.02 | 13.97 | 14.99 | 1.02 | 14.90 | 16.38 | 1.48 | 14.35 | 16.38 | 2.03 |
| Phoenix, AZ | 13.22 | 13.22 | 0.00 | 13.40 | 13.40 | 0.00 | 14.33 | 14.33 | 0.00 | 13.78 | 13.78 | 0.00 |
| Pittsburgh, PA | 12.70 | 13.50 | 0.80 | 12.88 | 13.68 | 0.80 | 13.81 | 15.07 | 1.26 | 13.26 | 15.07 | 1.81 |
| St. Louis, MO | 12.71 | 14.80 | 2.09 | 12.89 | 14.55 | 1.66 | 13.82 | 15.53 | 1.71 | 13.27 | 14.98 | 1.71 |
| Salt Lake City, UT | 12.60 | 12.75 | 0.15 | 12.78 | 12.93 | 0.15 | 13.71 | 13.96 | 0.25 | 13.16 | 13.41 | 0.25 |
| Seattle, WA | 12.60 | 12.98 | 0.38 | 12.78 | 15.38 | 2.60 | 13.71 | 15.38 | 1.67 | 13.16 | 15.29 | 2.13 |
| Spokane, WA | 12.60 | 12.98 | 0.38 | 12.78 | 15.38 | 2.60 | 13.71 | 15.38 | 1.67 | 13.16 | 15.29 | 2.13 |
| Springfield, MO | 12.89 | 13.79 | 0.90 | 13.07 | 13.67 | 0.60 | 14.00 | 15.00 | 1.00 | 13.45 | 14.70 | 1.25 |
| Washington, DC | 13.73 | 14.78 | 1.05 | 13.91 | 14.96 | 1.05 | 14.84 | 15.59 | 0.75 | 14.29 | 15.04 | 0.75 |
| Simple Average | 13.13 | 14.22 | 1.09 | 13.31 | 14.39 | 1.08 | 14.24 | 15.36 | 1.12 | 13.69 | 15.05 | 1.36 |

*NOTE: The Northeast Dairy Compact has established a Class I price level of \$16.94. The Compact obligation is \$16.94 less the Federal order Class I price shown for Boston. The effective Class I price level is the Federal order price at location plus the Compact obligation plus the figure shown under the column labeled "Difference". When the Federal order Class I price shown for Boston is higher than the Compact Class I price, the Compact price is not effective.

1/ Class I prices announced for the beginning of the month by the major cooperative in each city market. These prices may not apply to all of the Class I sales in these city markets. Announced prices may not include handling or service charges applicable to milk from supply plants and competitive credits which may be allowed. These prices have not been verified as having been actually paid by handlers.

MAY FLUID MILK SALES HIGHLIGHTS

During May, sales of fluid milk products in comparable Federal milk order marketing areas and California were 1.7 percent above the previous year and 2.3 percent above April 1999 on an adjusted daily average basis. Sales of whole milk products were 3.0 percent above the previous year; sales of fat-reduced milk products were 1.1 percent above the previous year. Total fluid milk sales were higher in all regions. Total fluid milk sales for the January through May 1999 period were 1.0 percent higher than the same period last year.

**SUMMARY OF PACKAGED SALES OF WHOLE MILK PRODUCTS, FAT-REDUCED MILK PRODUCTS, AND TOTAL FLUID MILK PRODUCTS IN FEDERAL MILK ORDER
MARKETING AREAS AND CALIFORNIA, GROUPED BY REGION, MAY 1999 WITH COMPARISONS 1/**

| Region 4/ | Whole Milk Products 2/ | | | | Fat-reduced Milk Products 3/ | | | | Total Fluid Products | | | |
|--------------------|------------------------|--------------|---------------|-----------------|------------------------------|--------------|---------------|-----------------|----------------------|--------------|---------------|-----------------|
| | Sales | | Change from: | | Sales | | Change from: | | Sales | | Change from: | |
| | May | Year to date | Prev. year 5/ | Year to date 5/ | May | Year to date | Prev. year 5/ | Year to date 5/ | May | Year to date | Prev. year 5/ | Year to date 5/ |
| | Mil. lbs. | | Percent | | Mil. lbs. | | Percent | | Mil. lbs. | | Percent | |
| Northeast | 338 | 1,687 | 0.1 | -0.5 | 459 | 2,278 | 1.1 | 0.4 | 797 | 3,965 | 0.7 | 0 |
| Southeastern | 340 | 1,696 | 5.0 | 3.5 | 434 | 2,236 | 0.4 | 0 | 774 | 3,932 | 2.3 | 1.5 |
| Midwest | 254 | 1,289 | 3.4 | 3.2 | 895 | 4,556 | 1.3 | 1.2 | 1,149 | 5,845 | 1.7 | 1.6 |
| Southwest | 171 | 848 | 4.5 | 2.6 | 205 | 1,048 | 2.7 | 1.3 | 376 | 1,896 | 3.5 | 1.9 |
| Far West | 334 | 1,652 | 2.8 | 0.8 | 676 | 3,387 | 0.8 | 0.1 | 1,011 | 5,039 | 1.5 | 0.3 |
| All Areas Combined | 1,436 | 7,172 | 3.0 | 1.8 | 2,670 | 13,506 | 1.1 | 0.6 | 4,107 | 20,677 | 1.7 | 1.0 |

1/ These figures are representative of the consumption of fluid milk products in comparable Federal milk order marketing areas and California, and represents approximately 89 percent of total fluid milk sales in the U.S. 2/ Whole milk products include plain, flavored, and miscellaneous whole milk products. 3/ Fat-reduced milk products include plain, solids added, flavored, and miscellaneous reduced fat, low fat, and fat-free products, and buttermilk. 4/ For the marketing areas included in each region, see DMN Vol. 66, report #15. Midwest excludes Nebraska-Western Iowa. Far West includes California. 5/ Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.

**PACKAGED SALES OF INDIVIDUAL WHOLE MILK PRODUCTS AND FAT-REDUCED MILK PRODUCTS IN
ALL MARKETING AREAS DEFINED BY FEDERAL MILK ORDERS AND CALIFORNIA, APRIL 1999,
WITH COMPARISONS 1/**

| Product Name | Sales | Change from: | |
|------------------------------|---------|---------------|--------------|
| | | Previous Year | Year to Date |
| | Mil.lbs | Percent | |
| Whole Milk 2/ | 1,437 | 2.4 | 1.4 |
| Reduced Fat Milk (2%) | 1,299 | 1.8 | 0.7 |
| Low Fat Milk (1%) 3/ | 660 | 4.0 | 1.7 |
| Fat-Free Milk (Skim) | 684 | -0.9 | -1.0 |
| Buttermilk | 46 | -3.2 | -2.9 |
| Total Fluid Milk Products 4/ | 4,138 | 1.8 | 0.8 |

1/ These sales volumes and percent changes include preliminary data for the New York-New Jersey milk order marketing area and the California State milk order. However, data for the Nebraska-Western Iowa market, which is a non-comparable market, are excluded. Monthly and year-to-date percent changes are based on sales figures adjusted for calendar composition.

2/ Includes flavored whole milk. 3/ Includes flavored fat-reduced milk.

4/ Includes miscellaneous products.

DAIRY FARMERS TO VOTE ON USDA MILK MARKET ORDER REFORM PLAN*

WASHINGTON, July 14, 1999 - Dairy farmers will begin voting August 2, 1999, on the U.S. Department of Agriculture's plan to consolidate and modernize the nation's milk marketing order system, USDA announced today.

Released on March 31, 1999, following an extensive process of collecting public views involving thousands of comments and analyses, the USDA plan consolidates the current 31 marketing orders into 11, as required by the 1996 Farm Bill, and makes several other important reforms, including the pricing for Class I milk -- milk for fluid use.

Dairy farmers will have until August 6, 1999, to mail their ballots to USDA under procedures that require two-thirds of the eligible voters in each order to approve the changes.

USDA will publish details of the referendum in a future issue of the Federal Register. The following agents can provide additional information about the vote and the proposed orders for their respective areas:

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JUNE MILK PRODUCTION

Milk production in the 20 major states during June totaled 11.8 billion pounds, up 3.4 percent from production in these same states in June 1998. May revised production, at 12.4 billion pounds, was up 3.5 percent from May 1998. Production per cow in the 20 major states averaged 1,525 pounds for June 1999, 48 pounds above June 1998. The number of cows on farms in the 20 major states was 7.73 million head, 11,000 head above June 1998 and 4,000 head above May 1999. The April-June quarterly production of milk for the U.S. was 42.0 billion pounds, up 3.0 percent from the April-June period in 1998. The average number of milk cows in the U.S. during April-June quarter was 9.15 million head, 20,000 head less than the same period last year.

| STATE | MILK COWS 1/ 2/ | | | | MILK PRODUCTION 1/ 3/ | | | |
|-------------------|-----------------|-------|------------|-------|-----------------------|-----------------------|--------------|-----------------------|
| | JUNE | | APRIL-JUNE | | JUNE | | APRIL-JUNE | |
| | 1998 | 1999 | 1998 | 1999 | 1999 | % CHANGE FROM 1998 | 1999 | % CHANGE FROM 1998 |
| | THOUSANDS | | | | MILLION LBS. | PERCENT | MILLION LBS. | PERCENT |
| AL | — | — | 28 | 27 | — | — | 100 | -3.8 |
| AK | — | — | 0.9 | 1.0 | — | — | 3.57 | -2.7 |
| AZ | 131 | 134 | 130 | 133 | 245 | 5.2 | 794 | 8.6 |
| AR | -- | -- | 49 | 45 | — | — | 132 | -21.0 |
| CA | 1,417 | 1,464 | 1,414 | 1,460 | 2,525 | 9.0 | 7,759 | 9.9 |
| CO | -- | -- | 83 | 81 | — | — | 405 | -6.3 |
| CT | -- | -- | 30 | 29 | — | — | 137 | 0.7 |
| DE | — | — | 11.0 | 11.0 | — | -- | 43.6 | -1.8 |
| FL | 160 | 159 | 161 | 160 | 206 | 10.2 | 660 | 4.9 |
| GA | -- | -- | 95 | 90 | — | — | 386 | 1.3 |
| HI | -- | -- | 8.8 | 8.6 | -- | -- | 32.5 | -9.0 |
| ID | 293 | 316 | 291 | 314 | 528 | 8.6 | 1,577 | 9.1 |
| IL | 128 | 122 | 128 | 123 | 173 | -0.6 | 533 | -4.7 |
| IN | 137 | 136 | 137 | 136 | 189 | 2.7 | 561 | -1.8 |
| IA | 222 | 215 | 223 | 215 | 314 | -1.3 | 970 | -1.4 |
| KS | -- | -- | 81 | 86 | — | — | 360 | 4.3 |
| KY | 141 | 133 | 141 | 133 | 133 | -5.7 | 431 | -5.9 |
| LA | -- | -- | 63 | 61 | — | — | 189 | -6.9 |
| ME | -- | -- | 41 | 42 | — | — | 180 | 4.0 |
| MD | -- | -- | 86 | 86 | — | — | 337 | -3.2 |
| MA | -- | -- | 26 | 25 | — | — | 109 | -2.7 |
| MI | 303 | 291 | 300 | 293 | 445 | -3.1 | 1,367 | -0.3 |
| MN | 555 | 545 | 555 | 545 | 809 | 2.3 | 2,469 | 2.3 |
| MS | -- | -- | 42 | 39 | — | — | 150 | -4.5 |
| MO | 171 | 160 | 172 | 161 | 175 | -9.8 | 595 | -7.2 |
| MT | -- | -- | 18 | 18 | — | — | 77 | 4.1 |
| NE | -- | -- | 69 | 73 | -- | -- | 304 | 15.6 |
| NV | -- | -- | 25 | 25 | — | — | 128 | 6.7 |
| NH | -- | -- | 20 | 19 | -- | -- | 83 | -4.6 |
| NJ | -- | -- | 19 | 18 | — | — | 67 | -10.7 |
| NM | 217 | 234 | 217 | 232 | 405 | 6.3 | 1,223 | 7.0 |
| NY | 701 | 702 | 701 | 701 | 1,032 | 3.0 | 3,128 | 2.9 |
| NC | -- | -- | 76 | 73 | — | — | 311 | -4.3 |
| ND | -- | -- | 52 | 49 | -- | -- | 181 | --- |
| OH | 264 | 260 | 265 | 260 | 380 | 1.3 | 1,149 | -0.9 |
| OK | -- | -- | 92 | 92 | — | — | 317 | 0.3 |
| OR | -- | -- | 89 | 88 | — | — | 440 | 8.9 |
| PA | 623 | 614 | 623 | 615 | 918 | 2.7 | 2,855 | 1.4 |
| RI | -- | -- | 2.1 | 2.0 | — | — | 8.3 | -3.5 |
| SC | -- | -- | 25 | 24 | — | — | 101 | 1.0 |
| SD | -- | -- | 102 | 102 | -- | -- | 380 | 5.0 |
| TN | -- | -- | 106 | 99 | — | — | 373 | -6.5 |
| TX | 353 | 346 | 356 | 344 | 458 | -1.7 | 1,509 | -1.2 |
| UT | -- | -- | 90 | 91 | — | — | 406 | 4.6 |
| VT | 162 | 162 | 162 | 162 | 235 | 2.2 | 714 | 2.3 |
| VA | 125 | 121 | 125 | 122 | 148 | -- | 473 | -0.8 |
| WA | 247 | 247 | 248 | 247 | 463 | 2.2 | 1,405 | 2.9 |
| WV | -- | -- | 18 | 18 | -- | -- | 69 | -1.4 |
| WI | 1,368 | 1,368 | 1,368 | 1,366 | 2,004 | 2.1 | 6,032 | 2.3 |
| WY | -- | -- | 6.1 | 5.9 | — | — | 20.1 | -2.9 |
| 22 STATE TOTAL | 7,718 | 7,729 | — | -- | 11,785 | 3.4 | -- | -- |
| U.S. 4/ 5/ | -- | -- | 9,171 | 9,151 | — | — | 42,034 | 3.0 |

1/ Preliminary. 2/ Includes dry cows, excludes heifers not yet fresh. 3/ Excludes milk sucked by calves. 4/ Includes states for which individual monthly estimates are not available. 5/ Milk cows will not add due to rounding.

SOURCE: "Milk Production," Da 1-1 (7-99), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

**MAILBOX MILK PRICES FOR SELECTED FEDERAL MILK ORDERS,
APRIL 1999, WITH COMPARISONS**

In April 1999, mailbox milk prices reported for selected Federal milk orders averaged \$12.09 per cwt., \$2.93 less than the figure for the previous month. On a regional basis, the average prices and changes from the previous month were: Northeast, \$12.07, down \$3.30; Southeast, \$12.77, down \$5.08; Midwest, \$12.27, down \$2.23 and West, \$11.38 down \$2.90. Compared to April 1998, mailbox milk prices decreased \$1.54 per cwt. on the average. Regional changes from the previous year were: -\$1.67 in the Northeast, -\$2.48 in the Southeast, -\$1.24 in the Midwest, and -\$1.60 in the West.

| Federal milk order <u>1/</u> | Mailbox Milk Price <u>2/</u> | | |
|------------------------------|----------------------------------|------------|------------|
| | April 1998 | March 1999 | April 1999 |
| | <u>Dollars per hundredweight</u> | | |
| New England* | 13.78 | 15.37 | 12.87 |
| New York-New Jersey | 13.59 | 15.38 | 11.86 |
| Middle Atlantic | 14.06 | 15.34 | 11.60 |
| Northeast Average <u>3/</u> | 13.74 | 15.37 | 12.07 |
| Carolina | 15.63 | 18.06 | 12.89 |
| Southeast | 14.54 | 16.99 | 12.00 |
| Florida <u>4/</u> | 16.22 | 19.28 | 14.09 |
| Southeast Average <u>3/</u> | 15.25 | 17.85 | 12.77 |
| Southern Michigan | 13.98 | 16.07 | 12.33 |
| Eastern Ohio-Western Pa. | 14.01 | 16.16 | 11.96 |
| Ohio Valley | 14.07 | 16.63 | 11.91 |
| Indiana | 14.27 | 16.79 | 11.87 |
| Chicago Regional <u>5/</u> | 13.36 | 13.77 | 12.34 |
| S. Illinois-E. Missouri | 13.79 | 16.05 | 11.85 |
| Louis.-Lex.-Evans. | 14.26 | 17.56 | 12.02 |
| Upper Midwest <u>5/</u> | 13.14 | 13.38 | 12.61 |
| Nebraska-Western Iowa | 13.15 | 13.87 | 11.75 |
| Iowa | 13.21 | 13.92 | 12.18 |
| Midwest Average <u>3/</u> | 13.51 | 14.50 | 12.27 |
| Texas | 13.39 | 14.89 | 11.52 |
| Southwest Plains | 12.88 | 14.75 | 11.19 |
| Eastern Colorado | 13.35 | 15.34 | 11.67 |
| S.W. Idaho-E. Oregon | 12.18 | 12.28 | 11.53 |
| Great Basin | 12.43 | 13.60 | 11.23 |
| New Mexico-West Texas | 12.37 | 14.05 | 10.80 |
| Pacific Northwest | 13.14 | 14.37 | 11.46 |
| West Average <u>3/</u> | 12.98 | 14.28 | 11.38 |
| All-Market Average <u>3/</u> | 13.63 | 15.02 | 12.09 |

*Current month figure is estimated.

1/ Federal milk orders for which information could be released. 2/ Net pay price received by dairy farmers marketing milk to handlers regulated under the Federal milk orders. Includes all payments received for milk sold and all costs associated with marketing the milk. Price is reported at the market average butterfat test. 3/ Weighted average of the information for the orders listed in the region or for all selected orders combined. 4/ Weighted average of the information for the Upper Florida, Tampa Bay, and Southeastern Florida orders. 5/ May include payments for milk that, while normally associated with the market, was not pooled due to disadvantageous price relationships.

CCC PURCHASES OF DAIRY PRODUCTS

| | FOR THE WEEK OF JULY 12 - 16, 1999 | | | CUMULATIVE TOTALS | | UNCOMMITTED INVENTORIES | |
|------------------------|------------------------------------|----------------------|--------------------|-------------------|-----------------------|-------------------------|-----------------------|
| | TOTAL PURCHASES | CONTRACT ADJUSTMENTS | ADJUSTED PURCHASES | SINCE 10/01/98 | SAME PERIOD LAST YEAR | PERIOD ENDING 07/09/99 | SAME PERIOD LAST YEAR |
| BUTTER | | | | | | | |
| Bulk | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Packaged | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| CHEESE | | | | | | | |
| Block | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Barrel | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| Process | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| TOTAL | -0- | -0- | -0- | -0- | -0- | -0- | -0- |
| NONFAT DRY MILK | | | | | | | |
| Nonfortified | 13,331,493 | -0- | 13,331,493 | 163,592,234 | 126,248,621 | -0- | -0- |
| Fortified | 396,830 | -0- | 396,830 | 1,308,613 | -0- | -0- | -0- |
| TOTAL | 13,728,323 | -0- | 13,728,323 | 164,900,847 | 126,248,621 | -0- | -0- |

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

| | MILKFAT* BASIS | SKIM** SOLIDS | | MILKFAT* BASIS | SKIM** SOLIDS |
|--|----------------|---------------|------------------------------------|----------------|---------------|
| WEEK OF JULY 12 - 16, 1999 = | 3.0 | 159.8 | COMPARABLE WEEK IN 1998 = | 1.7 | 89.5 |
| CUMULATIVE SINCE OCTOBER 1, 1998 = | 36.3 | 1,919.4 | CUMULATIVE SAME PERIOD LAST YEAR = | 27.8 | 1,469.5 |
| CUMULATIVE JANUARY 1 - JULY 16, 1999 = | 36.3 | 1,918.2 | COMPARABLE CALENDAR YEAR 1998 = | 26.0 | 1,378.1 |

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF JULY 12 - 16, 1999 (POUNDS)

| REGION | BUTTER | | | CHEESE | | | NONFAT DRY MILK | |
|----------|--------|----------|----------|--------|--------|---------|-----------------|-----------|
| | BULK | PACKAGED | UNSALTED | BLOCK | BARREL | PROCESS | NONFORTIFIED | FORTIFIED |
| MI DWEST | -0- | -0- | -0- | -0- | -0- | -0- | 257,967 | -0- |
| WEST | -0- | -0- | -0- | -0- | -0- | -0- | 13,073,526 | 396,830 |
| EAST | -0- | -0- | -0- | -0- | -0- | -0- | -0- | -0- |

CCC ADJUSTED PURCHASES SINCE 10/1/98 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

| REGION | BUTTER | | CHEESE | | NONFAT DRY MILK | | MILK EQUIVALENT | |
|--------------|---------|---------|---------|---------|-----------------|-------------|-----------------|---------|
| | 1998/99 | 1997/98 | 1998/99 | 1997/98 | 1998/99 | 1997/98 | 1998/99 | 1997/98 |
| MI DWEST | -0- | -0- | -0- | -0- | 15,177,034 | 10,443,653 | 9.2 | 8.3 |
| WEST | -0- | -0- | -0- | -0- | 149,723,813 | 115,518,425 | 90.8 | 91.5 |
| EAST | -0- | -0- | -0- | -0- | -0- | 286,543 | 0.0 | 0.2 |
| TOTAL | -0- | -0- | -0- | -0- | 164,900,847 | 126,248,621 | 100.0 | 100.0 |

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1999MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80DOLLARS PER POUNDBUTTER: Bulk \$.6500; 1# Prints \$.6800CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 06/26/99 & Comparable Week 1998 1/2/

| Regions* | U.S. TOTAL | | | | | | | | | | % DAIRY OF ALL | |
|--------------------------|------------|-----|-----|------|------|------|------|-----|------|-----|----------------|-------------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | WEEK | SINCE JAN 1 |
| 1999-Dairy cows HD (000) | 0.2 | 1.0 | 5.5 | 5.5 | 16.4 | 2.0 | 2.6 | 0.8 | 7.7 | 2.3 | 44.0 | 1,214.7 |
| 1998-Dairy cows HD (000) | 0.3 | 1.3 | 5.5 | 5.2 | 16.2 | 1.9 | 2.3 | 1.0 | 8.3 | 2.8 | 44.9 | 1,361.3 |
| 1999-All cows HD (000) | 0.2 | 1.1 | 7.5 | 14.2 | 22.8 | 13.6 | 17.2 | 3.5 | 11.6 | 7.2 | 98.8 | 2,772.2 |
| 1998-All cows HD (000) | 0.3 | 1.3 | 7.5 | 15.9 | 23.1 | 19.5 | 16.3 | 5.1 | 11.8 | 7.2 | 107.9 | 2,902.4 |

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CCC MARKET PRICE PURCHASE 7/9 AND INVITATION 7/2INVITATION FOR JULY/AUGUST DELIVERY

| <u>CHEDDAR</u> | <u>AUGUST DELIVERY</u> |
|----------------|------------------------|
| BARRELS | 40,000 \$1.5800 |

INVITATION FOR AUGUST 1 - NOVEMBER 30 DELIVERY

| <u>MOZZARELLA</u> | <u>MINIMUM/MAXIMUM</u> |
|--------------------------|------------------------|
| LMPS | 3,500,000/5,100,000 |
| LMPS SHREDDED | 200,000/300,000 |
| MOZZARELLA LITE SHREDDED | 200,000/300,000 |

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

| YEAR | JAN. | FEB. | MAR. | APR. | MAY | JUN. | JUL. | AUG. | SEP. | OCT. | NOV. | DEC. |
|------|-------|-------|-------|-------|--------|-------|-------|-------|-------|-------|-------|-------|
| 1994 | 12.41 | 12.41 | 12.77 | 12.99 | 11.51 | 11.25 | 11.41 | 11.73 | 12.04 | 12.29 | 11.86 | 11.38 |
| 1995 | 11.35 | 11.79 | 11.89 | 11.16 | *11.12 | 11.42 | 11.23 | 11.55 | 12.08 | 12.61 | 12.87 | 12.91 |
| 1996 | 12.73 | 12.59 | 12.70 | 13.09 | 13.77 | 13.92 | 14.49 | 14.94 | 15.37 | 14.13 | 11.61 | 11.34 |
| 1997 | 11.94 | 12.46 | 12.49 | 11.44 | 10.70 | 10.74 | 10.86 | 12.07 | 12.79 | 12.83 | 12.96 | 13.29 |
| 1998 | 13.25 | 13.32 | 12.81 | 12.01 | 10.88 | 13.10 | 14.77 | 14.99 | 15.10 | 16.04 | 16.84 | 17.34 |
| 1999 | 16.27 | 10.27 | 11.62 | 11.81 | 11.26 | 11.42 | | | | | | |

